

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**SB 1466 - HB 1573**

March 13, 2009

**SUMMARY OF BILL:** Requires longevity pay to be issued by a separate check unless the employee elects not to receive a separate longevity payment.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – \$25,400/One-Time  
\$12,000/Recurring**

**Assumptions:**

- According to the Department of Finance and Administration, there are currently 36,000 longevity payments made annually.
- Thirty percent (10,800) elect to not receive a separate check for longevity benefits ( $36,000 \times .30 = 10,800$ ). Seventy percent (25,200) of qualifying state employees will receive a separate check for their longevity payment.
- One-time increase in state expenditures for modification to Edison system is estimated at \$7,245.
- One-time increase in state expenditures for the Office of Information Resources (OIR) which include system configuration, development, testing, and printing are estimated at \$18,181 (\$5,000 programming and printing + \$13,181 configuration, development, testing).
- Recurring increase in state expenditures for envelopes and postage to mail 25,200 longevity payments is estimated at \$12,023 [\$1,313 envelopes, \$8,442 postage, \$2,268 Postal Services charge ( $\$.09 \times 25,200$  items)]. With the Edison system, the state no longer mails check stubs to state employees.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

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